US Army Corps of Engineers
Update on the Corps of Engineers
MILCON Transformation

SAME: Track 2 – Panel 4 – MILCON TRANSFORMATION
03 May 2007

BG (P) Bo Temple
Director of Military Programs
U.S. Army Corps of Engineers

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SAME National Conference
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First, to Frame the Questions:

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What is the U.S. Army Corps of Engineers?

HQ
Army Direct Funded

9 Divisions
Army Direct Funded

45 Districts
Project Funded

Engineer Commands

Civil Works
$10.3 Billion

~24,000 personnel

- Navigation
- Hydropower
- Flood Damage Reduction
- Shore Protection
- Water Supply
- Regulatory
- Recreation
- Homeland Security
- Environmental
- Real Estate

Military Programs
$22.3 Billion

~10,000 personnel

- Military Construction
- Contingency Ops
- Installation Support
- International / Interagency
- ort

Private Industry Partners
Execute
Perform 100% of
Civil Works and Military Construction
~300K daily
Architect-Engineer Firms
Perform over 65% of planning and

- Engineer Research and Development Center
- Seven diverse research laboratories
- $700 M annual research program

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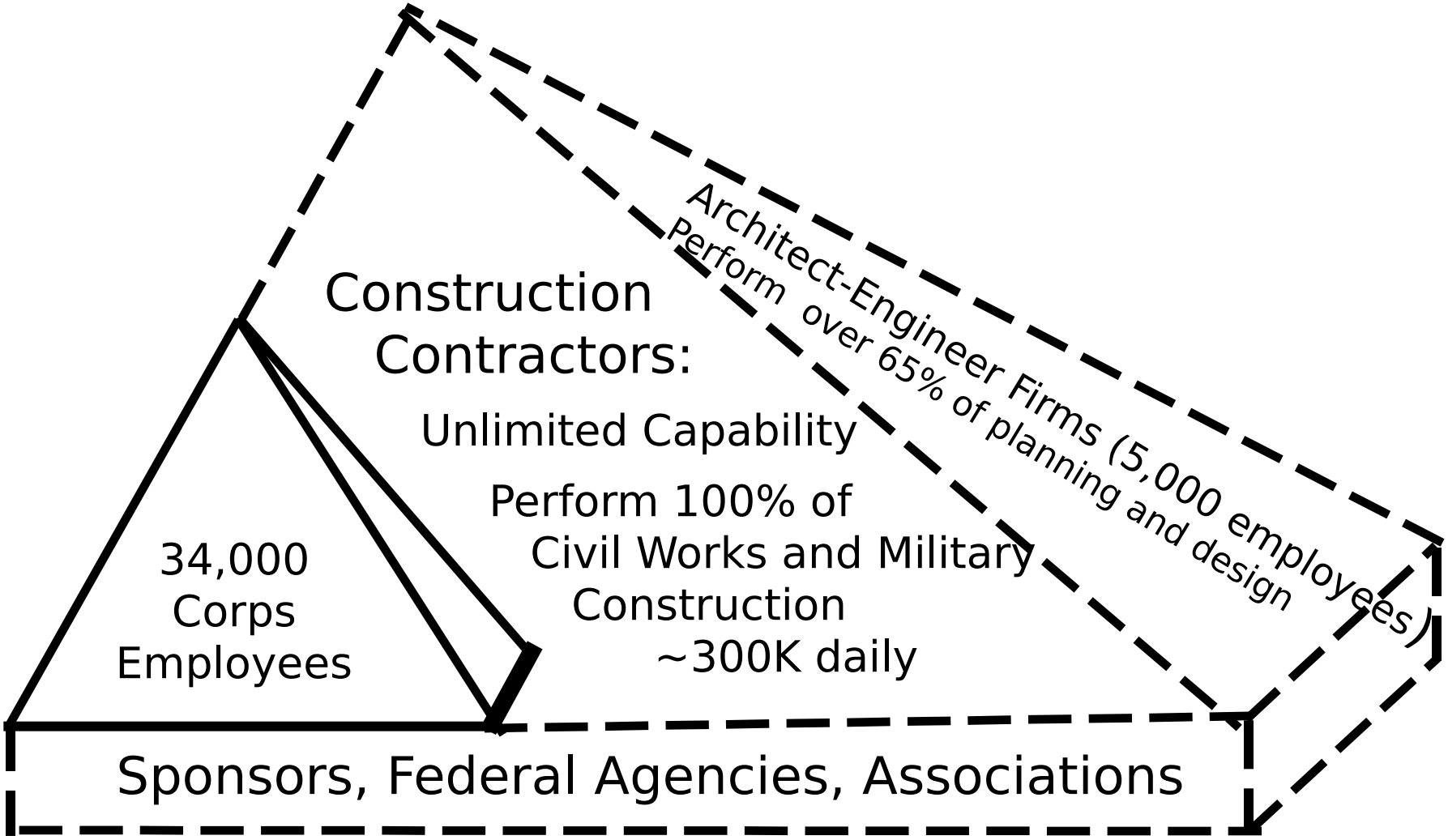
Private Industry Partnerships


Architect-Engineer Firms (5,000 employees)
Perform over 65% of planning and design
Construction Contractors:
Unlimited Capability
Perform 100% of Civil Works and Military Construction
~300K daily
34,000 Corps Employees
Sponsors, Federal Agencies, Associations

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Military Programs - Major Missions

- **Military Construction (Army, Air Force and other DOD Agencies); Army Transformation**
- **Environment (Formerly Used Defense Sites Program, munitions response, cleanup, and environmental quality support to Army active and BRAC installations)**
- **Real Estate (ARSTAF mission, DOD Executive Agent, and provision of world-wide real estate services)**
- **International and Interagency Services (EPA, DHS, DOS, 90+ Countries)**
- **Contingency Support - USACE lead for GWOT and Reconstruction infrastructure work**
- **Installation Support (181 Army, 71 Air Force)**

Mission Essential Daily Support to Our Military, Our Nation and Our Allies Around the World

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Challenges and Uncertainties

- Operating under Continuing Resolution
  - Appropriations delays in the FY 07 MILCON budget resulted in compressed timelines and construction challenges.
  - Difficult execution in balancing need for fast construction of facilities, real estate issues and environmental permitting requirements.
- Supplemental Uncertainty
  - FY07 Supplemental and remaining BRAC funding still not approved.
- Army Force Growth Proposal
  - We will be challenged to build the additional facilities for this requirement (Approximately $10 Bil from 07'-12').

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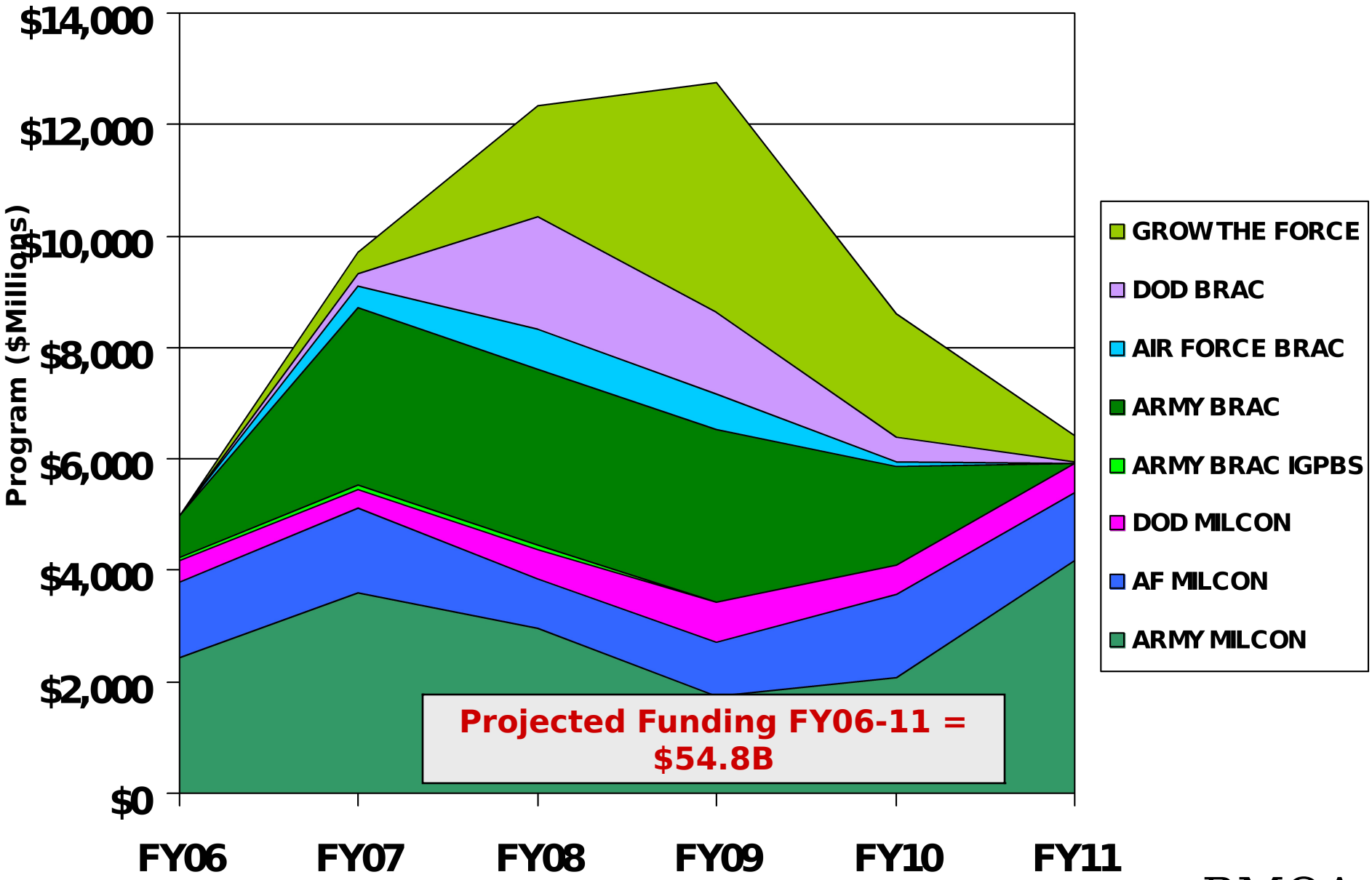
Military Construction & BRAC Projected Funding



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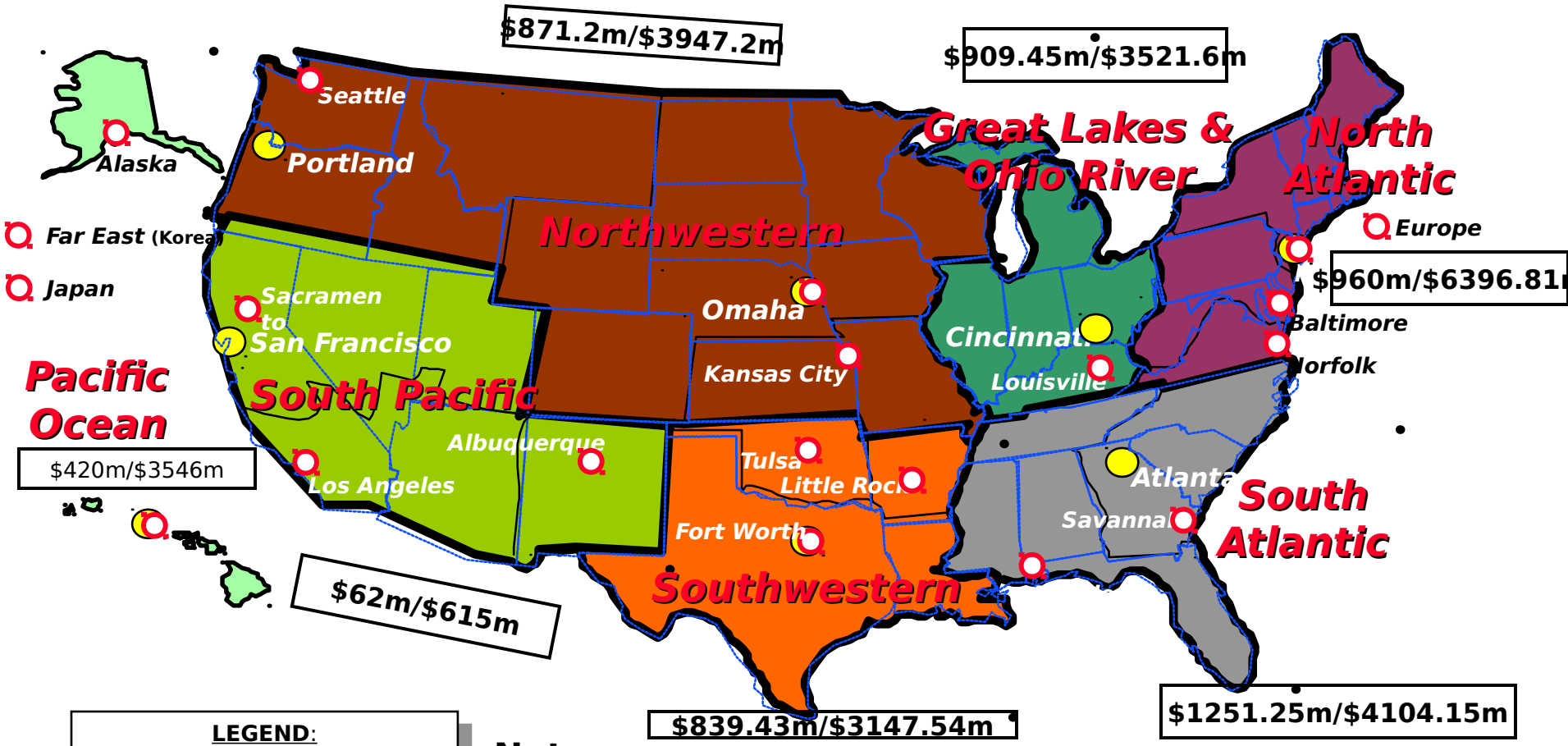
Army Program (incl. BRAC) by MSC
FY07 / FY08-13 POM (FY07-13)



LEGEND:

- Division/Regional HQ location
- Division boundary
- District location
- District boundary
- State boundary

Note:

Total Army (less Grow the Force): $5,014.2 m/ $25,268.8m ($30,282.2m)

Grow the Force: $250m/$7,507m ($7,757m)

DOD/AF: $2,460.9m/$12,285m ($14,745.9m)

Other: $1,279.1m/$7,230m ($8,509m)

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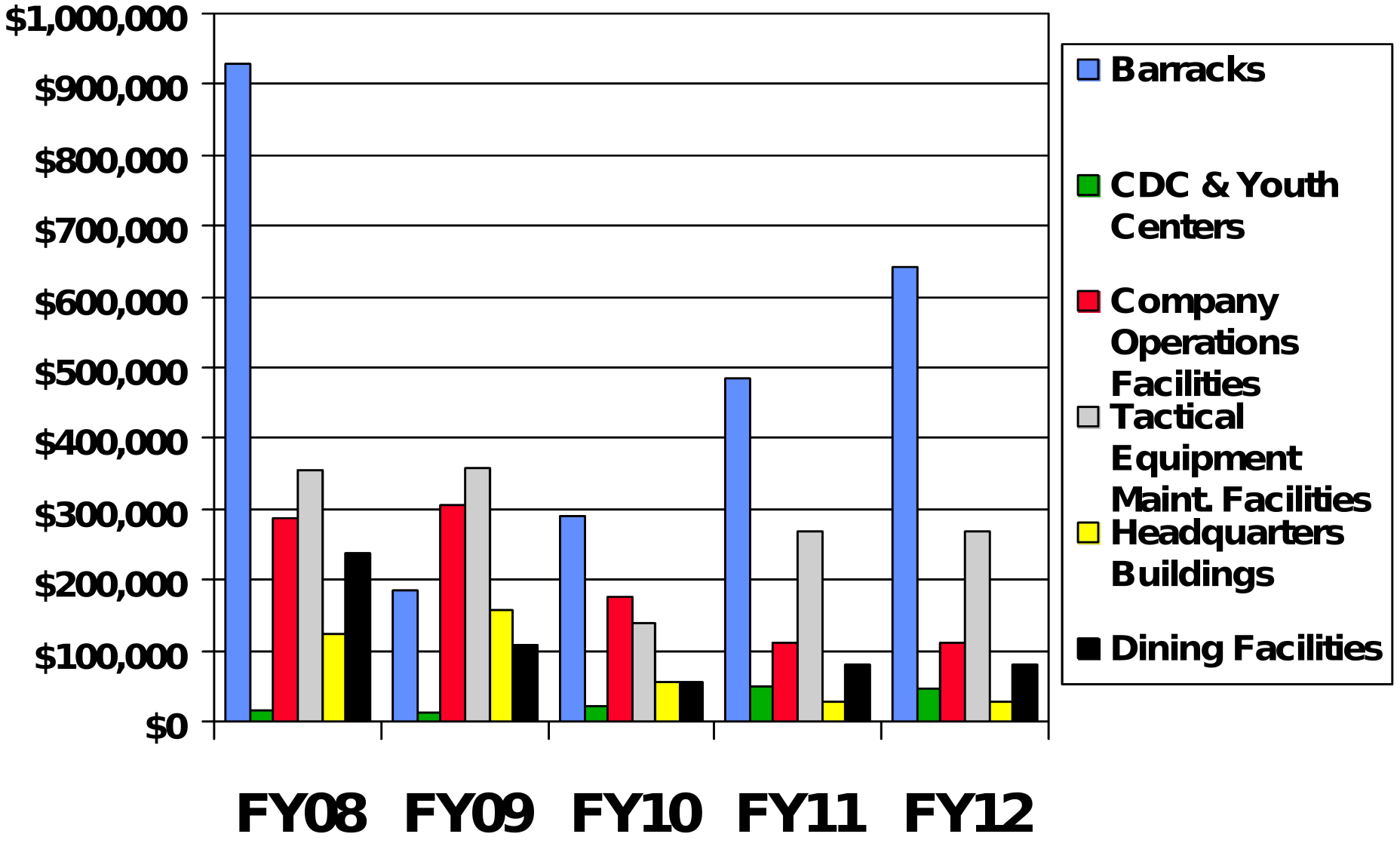
Army Program By Product Line



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Federal Technical Data Solutions (FedTeDS)

- What is FedTeDS?
  - Secure database containing data related to solicitations that is sensitive but non classified.
  - Used in combination with FedBizOpps.

- How Does FedTeDS Work?
  - Navigate from solicitation in FedBizOpps to sensitive data in FedTeDS.
  - Link to secure FedTeDS login page provided on FedBizOpps.
  - Access to sensitive information monitored and controlled by USACE Contracting Officer.

- Why FedTeDS?
  - USACE required to post all solicitations to Army Single Face to Industry (ASFI) & FedBizOpps Internet sites.
  - This leads to new security concerns about our sensitive information on networks accessed around the globe.
  - FedTeDS, the Government solution protects and secures sensitive data passed between USACE and industry.
  - Allows USACE the ability to limit access to organizations and firms that have the need to know sensitive data, e.g. drawings.

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Federal Technical Data Solutions (FedTeDS)

- When does it become easier for Industry?
  - Now! USACE is further defining sensitive but unclassified data (SUB) from FedTeDS and placing the data e.g. drawings on FedBizOpps.
  - FedTeDS files will be broken down into smaller files at posting, this will mean easier downloads of data
  - New Information Posted to USACE HQ Directorate of Contracting Website, "Information for Industry" page http://www.hq.usace.army.mil/cepr/industry.htm:
    - Link to USACE FedBizOpps Solicitations Postings by District
    - Link to FedTeDS Registration Page
    - FedTeDS User's Guide posted
    - FedTeDS Frequently Asked Questions (FAQs) posted
  - FedTeDS expected to update hardware capacity Summer 2007

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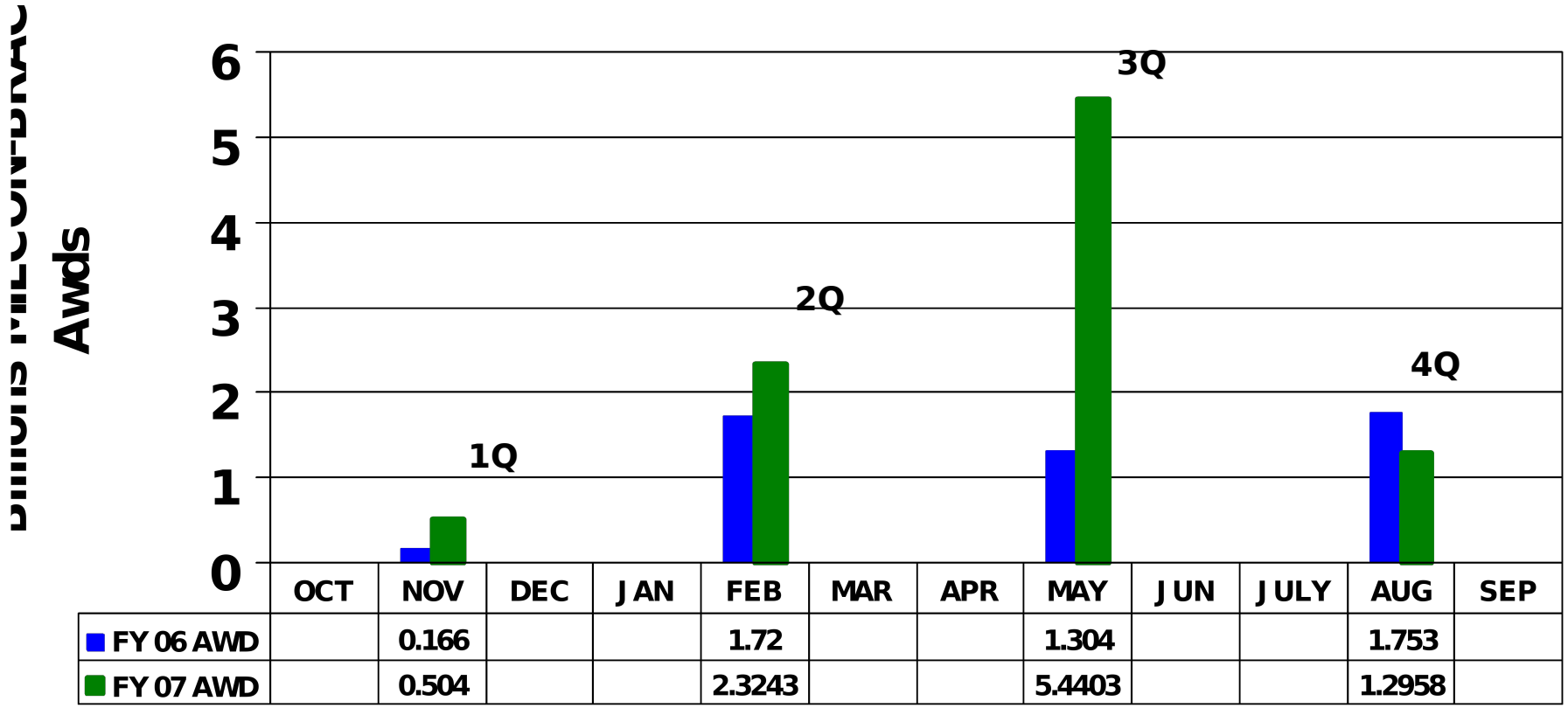
MILCON/BRAC Program Execution

(Quarterly)

FY06 & 07 Act AWD plus Sch dates for 07



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEP
FY 06 AWD		0.166			1.72			1.304			1.753	
FY 07 AWD		0.504			2.3243			5.4403			1.2958	

FY2006 (and prior) Carryover:
Total carryover = $1.182B/61 projects
Cumulative Awards thru 2Q07:
$735M/31

FY06 AWD FY07 AWD

FY2007:
All figures for 1Q07 and 2Q07 are actu
All figures for 3/4Q07 are scheduled
Cumulative awards (incl carryover): 74

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MILCON Process Reinvention is...

"Quality facilities delivered in less time at lower cost"

- Greater emphasis on ***master planning***
- ***Customer*** dictates facility requirements and standards (through the Army Facility Standardization Board)
- ***Standardization*** of facilities and processes
- The Corps ***changes*** the way it executes MILCON and BCA
  - Army, DLA, and Medical Programs will be most affected
  - AF will use current standards and construction criteria with greater emphasis on regional and installation acquisition tools
- Execution of Army MILCON as a ***continuous building program***
- Expanded use of ***manufactured building solutions***
- Greater emphasis on partnering with all USACE customers and with ***industry***

Example of Modular Construction:
A Barracks at Ft. Campbell

Example of Modular Construction:
A Barracks at Ft. Knox

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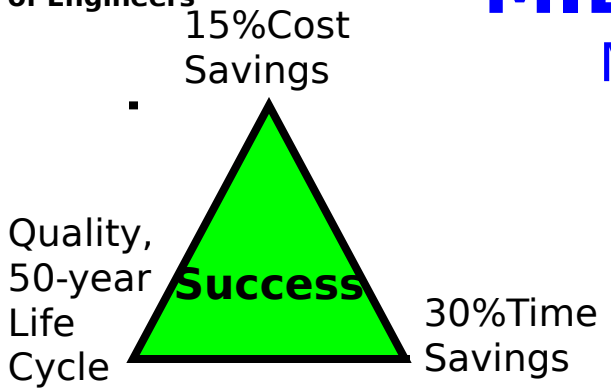
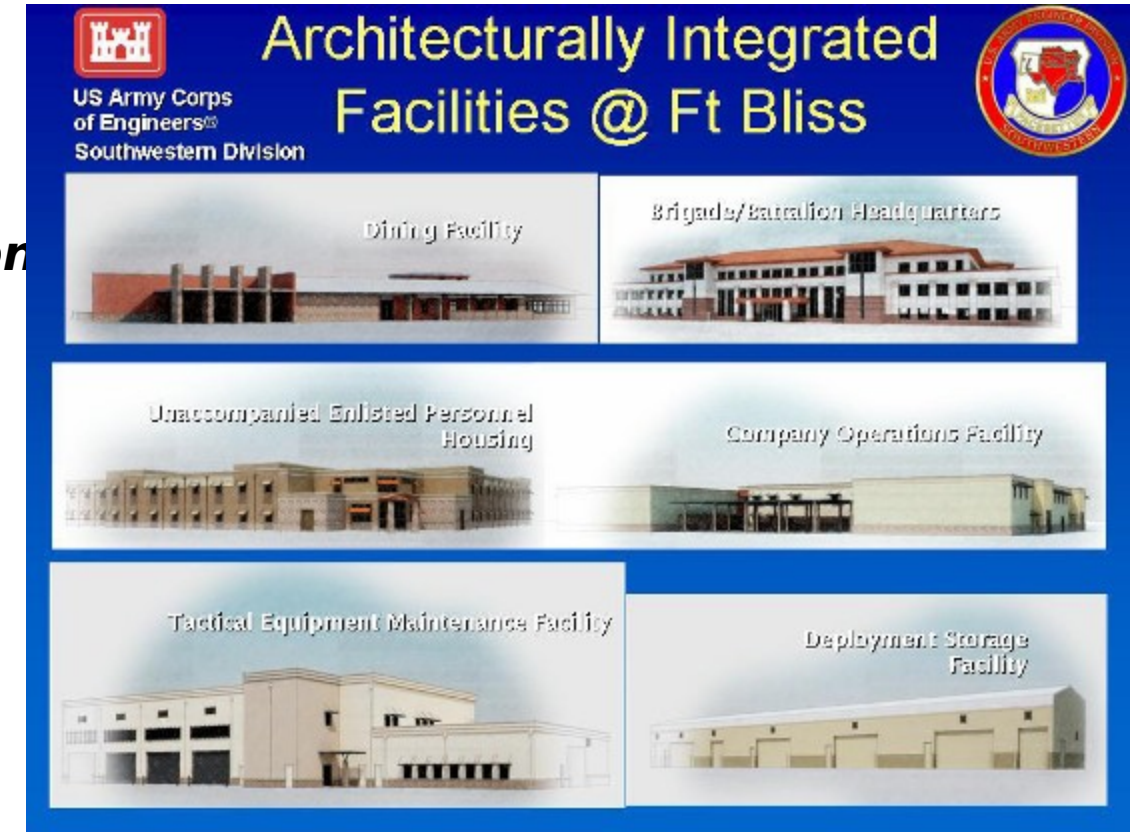
MILCON Process Reinvention





MILCON Process Reinvention

Emphasis on Facility Planning
Focus on Requirements
Facilities Standardization
Continuous Building Program
Broad Range of Construction Types
Industry Standards
International Building Code / Performance Specs

Use of Incremental rather than Phased Programming for large multi-year projects

Focus on End Result; not prescriptive "how to" requirem

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Resource Effectiveness / Lessons Learned

- 15 percent cost savings w/100 percent scope can be achieved as in the award of the following projects
  - ✓ Aviation Barracks, Ft Campbell
  - ✓ Permanent Party Barracks, Ft Knox
  - ✓ Division HQ & Sustainment Brigade HQ, Ft Riley
  - ✓ Unaccompanied Enlisted Personnel Housing and Tactical Vehicle Maintenance Facilities, Ft Bliss
- Use of Model RFP can make a difference in achieving full scope
- Continue to change culture: USACE, Garrisons and the Contractors
- Continue to capture Lessons-Learned and adapt as we go
- Need for reconciliation of standard design and the IDGs
- Must establish robust site and program integration capability

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Centers of Standardization – Impact on Industry

- Eight (8) Centers of Standardization
- Implementation of functional and operational relevant standard facilities
- More opportunities for open competition inside standardized processes
- More consistent Bid solicitations
- Less Learning curve required when working with USACE
- New Opportunities for Small Business
- Implementation of non-traditional construction (Modular, Pre-Fabricated) will be more common
- Less Opportunity for full design Contracts

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Centers of Standardization 6 March 2006

- **Huntsville Center (15)**
  - **Physical Fitness**
  - **Outdoor Sports Facility**
  - **Child Development (2)**
  - **Youth Activity Centers**
  - **Consolidated Fire, Safety and Security Facility**
  - **Fire Station**
  - **Army Community Service Center**
  - Bowling Center RFP
  - **Hazard Material Storage**
  - Close Combat Tactical Trainer
  - Mil. Ops. Urban Terrain Facility
  - Training Ranges
  - Battle Cmd Training Ctr.
  - Training Support Ctr.
  - **Medical Facilities**
- **Louisville District/LRD (2)**
  - **Army Reserve Centers**
  - Operational Readiness Training Complex
- **Norfolk District/NAD (7)**
  - General Instructional Facility
  - Classroom 21
  - **Enlisted personnel Dining Facility**
  - Mil. Entrance Processing Stations
  - **Family Housing RFP**
  - **Information Systems Facility**
  - **Criminal Investigation Facility**
- **Omaha District/NWD (2)**
  - **Religious Facilities**
  - **Access Control Points**

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Centers of Standardization 6 March 2006

- **Mobile District/SAD (2)**
  - Aviation – Vertical Construction
  - 4 Star HQ Facility
- **Savannah District/SAD (6)**
  - Company Operations Facility
  - Tactical Equipment Maintenance
  - Brigade Operations Complex
  - Brigade/ Battalion HQ: Admin
  - Cmd./Control : UEy and Corps (UEx) HQ: Admin/Operations
  - Deployment Facility
- **Honolulu District/POD (2)**
  - **Unaccompanied Officers Quarters**
  - **Transient Officers Quarters**
- **Ft. Worth District/SWD (5)**
  - **Unaccompanied Enlisted Personnel Housing**
  - Basic Combat Training Complex/One Station Unit Trainee
  - Advanced individual Training Complex
  - **General Purpose Warehouse**
  - **Central Issue Warehouse**

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Innovative Leveraging of Public Resources

- **Enhanced Use Leasing**
  - **Various Locations – See Mr. Calcara for details.**
- **Grant of Property Rights** **and permitted uses in exchange for construction and services**
- **MILCON Exchange – Exchange of Military property for new construction and services**
  - **Piloting at BRAC Locations**
  - **Small Reserve Sites First (Projects for release this fall)**
  - **Larger Sites coming (Ft. Monmouth, Ft. Gillam, Ft. McPherson)**
- **Public-Private Partnerships – Long term business relationships for military housing, Bachelor Quarters, and Army lodging using investment authority.**

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Small Business Goals and Performance

- **DoD sets goals for Army, Army sets goals for USACE.**
- **USACE FY 2007 2nd Quarter reported, October through March.**
- **Additional challenges this year in MILCON Transformation – significant consolidation of contracts to achieve cost savings will negatively impact goal achievement**
- **DoD is in the midst of migrating to a new data reporting system and the Department as a whole is encountering some transitional system "glitches".**

FY 07 - $810M out of $2.7B			FY06		FY07		
	Statuatory	Law	Goal	USACE	Goal	Military	USACE
Small Business Prime Contractors	23%	PL 100-656 PL 105-235	43.0%	38.8%	44.8%	29.8%	37.4%
Small Disadvantaged Business	5%	PL 93-400	16.5%	16.5%	19.9%	5.4%	14.7%
8(a)-part of SDB goal	NA	15 USC 637		23.9%		7.7%	8.7%
Service Disabled Veteran Owned	3%	PL 206-50	1.5%	4.2%	1.5%	0.9%	0.8%
Women Owned	5%	PL 103-55	5.6%	14.1%	5.4%	4.7%	5.9%
HBCU/MI	NA	PL 95-471	13.9%	22.1%	13.4%	4.9%	7.1%
HUBZone	5%	PL 103-35	8.0%	26.0%	9.2%	10.1%	10.4%

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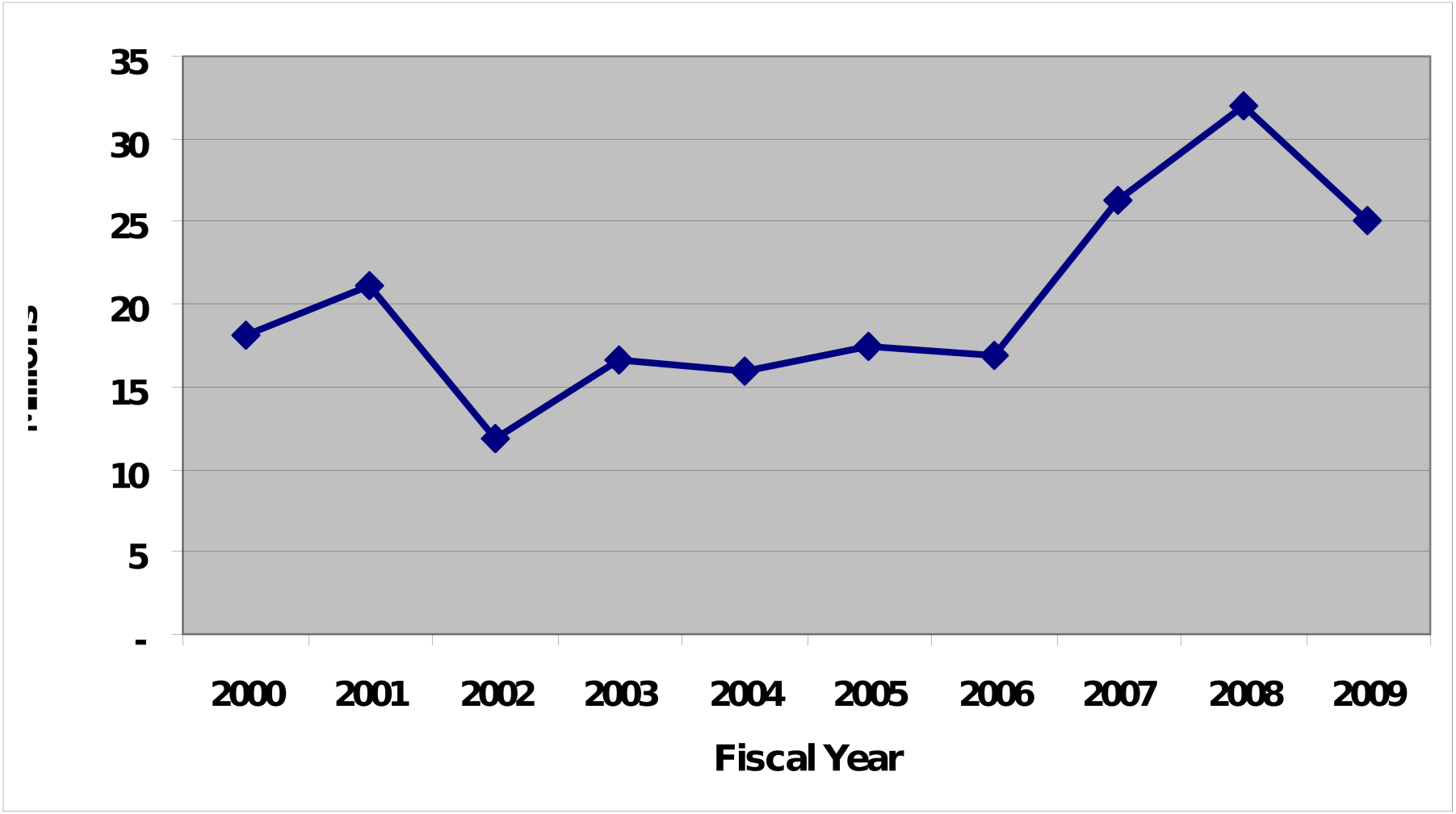
Average MILCON Project Size



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Small Business

- Where are My Opportunities?
  - Prime Contractor
    - Site development
    - Site Integrator
    - Small volume facility types not requiring IDIQ acquisition
    - Unique facilities
    - Pre-engineered construction
  - Mentor-Protégé
  - Joint Venture
  - Subcontracting
- What Can I do to increase my potential?
  - Attending conferences and meetings with USACE presenters increases awareness of opportunity
  - Be prepared to take on increasingly large projects.

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